GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:4433
ANSWERED ON:21.04.2003
TAX ON KHADI
BHARTRUHARI MAHTAB

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether the Government are contemplating of levying tax on Khadi;

(b) if so, whether any study has been made of its impact on market;

(c) if so, the details thereof;

(d) whether any study has been undertaken to estimate the production capacity and demand of Khadi in the country;

(e) if so, the details thereof; and

(f) the details of the amount of subsidy being provided to Khadi producers?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF AGRO AND RURAL INDUSTRIES (SHRI SANGHPRIYA GAUTAM)

(a): No, Sir. (b) & (c): Does not arise.

(d) & (e): While no specific scientific study has been undertaken on this subject, the production capacity and the demand for Khadi for the year 2003-04 are estimated at Rs. 565.00 crores and Rs. 705.00 crores, respectively.

(f): The amount of subsidy in the form of sales rebate and interest subsidy on bank loans provided to Khadi producers are given below :-

(Rs. in crores)

Sl.No.	Items	1999-2000	2000-01	2001-02
1	Khadi Sales Rebate	140.70	90.51	70.04
2	Interest Subsidy on Bank Finance	29.87	20.40	37.10
	Total	170.57	110.91	107.14